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Argentina Ups Meat Exports

Soviet Grain Prospects Improve

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In this issue:

2 Strong Export Push Enabled Argentina To Boost 1972 Meat Shipments
By Dalton L. Wilson

5 Prospects for 1973 USSR Grain Crop Improve—Imports Still Needed

7 U.S. Agricultural Exports Up Nearly Three-fourths in Third Quarter 1972-73
By Dewain H. Rahe

10 World Food Program Marks Decade of Providing Food for Development

12 Taiwan Signs Agreements for U.S. Grains and Soybeans

12 Soviet Butter Shortage Prompts 200,000-Ton Purchase From EC

13 Crops and Markets

This week's cover:

This month, the World Food Program celebrates its 10th year of operating a multilateral food assistance program. Against a background of traditional Pakistani rugs, these refugees, who are participating in a WFP food-for-work road construction program in the Punjab Province, receive family rations of wheat and vegetable oil as part payment of wages. An article describing WFP's accomplishments during the decade begins on page 10.

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Argentina's exports of beef rose appreciably in 1972 despite little rise in slaughter of beef cattle (top and top right). By contrast, lamb, mutton, and pork (left) sales to export markets slipped slightly. Product mix of beef exports also changed, with more cuts (above) moving in trade than usual.

Strong Export Push Enabled Argentina To Boost 1972 Meat Shipments

By DALTON L. WILSON
U.S. Agricultural Attaché
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ARGENTINE GOVERNMENT actions —an alternate-week ban on beef sales to consumers and tax credits for cattle marketings—were largely instrumental in dramatically boosting exports of livestock and meat products during 1972. Strong international demand and advancing domestic prices also played important roles in reallocating Argentine beef from the domestic to world markets last year.

Livestock and meat shipped in 1972 leaped to $837 million, a rise of 57 percent over 1971, accounting for an impressive 45 percent of total foreign exchange earnings. Because of this gain, Argentina ended 1972 with a $28-million favorable balance of trade, compared with a deficit of $129 million in 1971.

The upswing in meat exports was well timed to offset the sharp reduction in export earnings from grain and vegetable oils, which plummeted more than 30 percent in 1972. A severe and prolonged drought adversely affected the output of corn, grain sorghum, and certain oilseeds (see *Foreign Agriculture*, April 16, 1973).

The bulk of the export advance was in

beef shipments, which grew by 51 percent in volume and were worth 67 percent more than 1971's sales. Exports of horsemeat also climbed, although shipments of pork, lamb, and mutton were off slightly from 1971.

Principal markets for Argentine meat are the European Community and the United Kingdom. Meat exports to the United States consist exclusively of canned and cooked-and-frozen meats, and do not include fresh, chilled, or frozen products.

Beef products exported in 1972 jumped to 703,000 tons, against the 477,000 tons shipped a year earlier, an increase of 47 percent. The proportion of total beef output moving to international markets in 1972 was 32 percent, compared with 24 percent in 1971.

This jump was achieved despite a lower-than-expected level of cattle slaughter last year—up only 5 percent—owing to producers' retention of breeding cattle, advancing liveweight prices, excellent pasture conditions, and uncertainty concerning Government meat policies. Production of beef reached only 2.2 million tons, compared with 2 million tons in 1971 and an average of 2.6 million tons in 1966-70.

The beef product mix of exports changed significantly, with a higher proportion of cuts moving in trade, as sales of cooked, quartered, and canned beef fell in relation to total exports. In 1972, cuts accounted for 39 percent of total shipments, compared with 29 percent of the total the previous year.

Some of this shift in product mix resulted from more favorable prices for cuts than for other types of beef. Also, packing houses were unable to absorb the higher labor and material costs associated with processing. Several Argentine plants have reduced their canning and cooked-and-frozen operations, and some plants have closed these operations temporarily.

Government policies were largely responsible for moving more Argentine meat and products into export channels last year.

In an effort to overcome seasonal marketing patterns and encourage producers to market their cattle, the Government granted a tax exemption in January 1972 on income derived from certain classes and weight ranges of cattle. The exemption ranged from a low of 15 percent in November-December 1972 to a high of 40 percent in January-February 1973.

In early February 1973, the Government limited the tax rebate to animals sold in terminal markets. This was an effort to increase receipts at central markets and reduce unregistered direct sales in rural areas.

Cattle classified as No. 3—highest in the scale with regard to finish—were not eligible for these rebates, beginning in March 1973. This measure served as an incentive to cattlemen to market their cattle at lighter weights, rather than hold them to heavier weights and a higher degree of finish. This tended to increase short-term beef availability.

Average monthly liveweight prices of mediumweight steers advanced 35 percent over 1972 as a whole. Wholesale prices of carcass beef during the first 2 weeks of January 1973 were 40 percent above prices during the same period a year earlier. Retail prices for different cuts of beef also advanced sharply during 1972, with increases ranging from 20 percent for the less desirable cuts to 75-90 percent for more desirable cuts.

Argentines tightened their belts as an alternate-week ban on domestic consumption of beef was enforced throughout 1972, except for short periods during holidays.

Consequently, per capita consumption of all red meats dropped to 164 pounds in 1972, a decrease of 9 percent from 1971 and 24 percent from the 216.9 pounds consumed in 1970. In contrast, per capita consumption of poultry meat reached almost 31 pounds in 1972, an upswing of 23 percent from the year before. Reduced meat supplies—production of pork and lamb-mutton dropped 14 and 47 percent, respectively, in 1972—and comparatively lower prices for poultry accounted for the con-

World Meat Congress Sees Production Gains

South American meat production should increase considerably during the next few years, allowing larger exports to the European Community (EC), the United States, and other big importing areas. This was the conclusion of the first International Meat Congress, held March 26-30 in Punta del Este, Uruguay.

Hosting some 500 delegates from 22 countries, the Congress was organized by the Meat Packing Industry Chamber of Uruguay to establish operational regulations for regional committees on meat production and trade; exchange information on prices, trade commitments, and other subjects of interest; and discuss current and future trade prospects with representatives from the EC, the United States (regarding cooked and canned meats), and one-buyer countries. Among the delegates were representatives of some 223 meatpacking plants of Argentina, Brazil, Paraguay, Uruguay, and other exporting countries and some 150 meat importers and distributors from the EC, the United States, South Africa, and Canada.

In addition to its conclusion that meat production would rise, the Congress estimated that EC meat import needs in 1973 would climb to around 900,000 metric tons from the 700,000 of 1972.

The Congress also looked into the need for more uniform and less-complicated sanitary control regulations. Along these lines, a digest of sanitary regulations common to all Latin American countries is to be submitted to national governments for their approval.

Other topics of discussion were the lack of uniform taxing measures among importing countries of the Latin American Free Trade Area (LAFTA) and the need for better rates of return that would encourage capital reinvestment in more modern equipment and facilities.

Delegates tentatively decided to meet again as follows: 1974 in France, 1975 in Argentina, 1976 in West Germany, 1977 in Brazil, 1978 in Spain, and 1979 in Uruguay. They also agreed to hold the first International Meat and Meat Packing Equipment Exposition in Punta del Este, Uruguay, in March 1974.

Based on a dispatch from
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sumer shift to poultry meat.

This year, Government actions have been directed at increasing cattle marketings and stemming spiraling cattle prices. The Government is also anxious to placate consumers by increasing retail beef availability and holding down retail prices. Most of the measures are designed to increase cattle marketings —at least through April. They include:

- Removal of the alternate-week ban on sales of beef for domestic consumption from March 19 through April 30, 1973.
- A ban on sales of food containing beef by public eating places for alternate 2-week periods.
- Elimination of tax exemptions on receipts from cattle sales after April 15.
- Cancellation of credits to cattlemen for winter pastures—apparently limited to Government lending institutions.
- Establishment of a new tax on first sales of cattle after April 30.

The reaction of cattlemen to these measures will determine, to a large extent, the level of cattle slaughter, beef production, domestic consumption, and exports this year.

Government actions appear to have had the desired effect in early 1973, since the volume of meat and products exported during the first 2 months of 1973 reached nearly 109,000 tons, against the 84,000 tons shipped during the comparable period of 1972—a 29-percent rise. The value of these exports during the 2-month period shot up to nearly $141 million, compared with the $85 million shipped in the like period of 1972.

Preliminary figures released by the National Meat Board show that cattle slaughtered in plants under their supervision during January-February 1973 totaled nearly 1.1 million head—more than 8 percent above the corresponding 1972 period.

Despite the increase in slaughter, liveweight prices advanced about 53 percent between the first week in January and mid-March 1973, but declined slightly by the end of March. This striking advance was due to both strong export and domestic demand for beef.

A new Argentine Government is scheduled to take office on May 25 and cattle marketings, domestic consumption, and exports after that date will depend largely on whether changes are made in meat policies and when they are made.

Prospects for 1973 USSR Grain Crop Improve — Imports Still Needed

ALTHOUGH THE USSR at present is still expected to need sizable purchases of grain from the world market for delivery in the marketing year 1973-74, there appears in recent weeks to have been an improvement in Soviet grain crop prospects for 1973.

The expectation of purchase has been strengthened by trade reports from Europe that the Soviets recently chartered large numbers of third-country vessels suitable for carrying grain. The reports indicate that the Soviets recently obtained time charters for the next 18 to 20 months giving them the use of vessels capable of carrying an estimated total of 6 million tons of grain on an annual basis. This tonnage is in addition to that to be carried on time charters obtained earlier, as well as that to be carried on U.S.-flag and Soviet-flag vessels.

Last year, the Soviets purchased over 28 million tons of grain from all sources, mostly for delivery in the current marketing year (1972-73). The purchases included about 19 million tons of wheat and 9 million tons of other grains, mainly corn and barley. Current crop prospects and shipping information indicate that the Soviets may take in 1973-74 about half the quantities purchased in 1972-73. Current world grain prices, however, would tend to point to a larger proportion of corn than in 1972-73.

Higher grain goals. The size of Soviet purchases naturally depends in large part on the size of the Soviet grain crop. It is still early to be making firm forecasts of the 1973 crop, especially since the spring grain crop is not yet all planted. The Soviet Government is, however, making a big push to expand grain production in 1973. It has set a production target of 197.4 million metric tons on a gross basis (unadjusted for excessive moisture and foreign material). This is equivalent to about 165 million tons of usable grain, including 150 million tons of the five principal grains—wheat, rye, barley, oats, and corn. (Soviet gross grain production estimates also include pulses, millet, buckwheat, and rice.)

The 1973 grain goal of 197.4 million tons is ambitious. It is 18 percent above last year's crop of 168 million tons and 6 percent above the record crop of 186.8 million tons harvested in 1970. And to approach this goal, the Soviets must overcome several important problems.

One of these problems is that last fall's plantings were about 17 million acres short of meeting the planting goal for winter grains to be harvested in 1973. The Soviets had planned to sow about 84 million acres but were only able to get 67 million seeded before winter set in.

The Soviets do, however, appear to have gotten some breaks in the weather in recent months. A milder winter than normal seems to have allowed the winter grain crop to escape severe winterkill despite a poor snow cover over much of the important grain-growing area in the European USSR. It now seems likely that the Soviets will emerge from the winter with about the same winter grain acreage as last year, when many more acres were planted but winterkill was severe.

THE PLANTINGS of spring grain crops now become all-important. The Soviet press has been urging an expansion of total grain and pulse acreage in 1973. Total grain plantings for harvest in 1973 may be roughly 310 million acres, up about 10 million from last year. Spring plantings of around 250 million acres will be needed, compared with 240 million sown last year.

Crop prospects. As of the second week in April, weather generally continued favorable for early sowing of the 1973 spring crop. In the European USSR (in general, the area west of the

USSR: 1973 PRODUCTION GOALS FOR LIVESTOCK PRODUCTS

Year	Meat	Milk	Eggs
	Mil. tons	*Mil. tons*	*Bil.*
1972, actual production	13.6	83.2	48.2
1973:			
Original goal	14.3	92.1	46.8
Revised goal	12.9	86.2	47.5

Ural Mountains), temperatures averaged above normal during February-March and early April. (Moscow had the warmest March in 50 years.) Most of the snow cover had melted, and in the southern half of the area, fields were ready for working. Wintergrains were in good condition and developing rapidly.

Through April 16, spring crops had been sown on 61 million acres of the USSR, including 35 million acres of grains and pulses (except corn). Last year at the same time, total sowings of spring crops were 59.6 million acres, of which 33.6 million were grains.

In the "New Lands," where much of the spring grain is grown, temperatures also averaged above normal in March. The snow cover in northern Kazakhstan had been reduced, and an early spring seemed possible, although planting was still a month away. In the Urals and the Volga-Vyatka regions, on the other hand, snow was still deep, and field work appeared likely to be later than normal in starting.

Soil moisture at the end of March ranged from near normal to notably above normal in all major grain-growing regions. Except for the North Caucasus, soil mosture supplies in the southern part of the European USSR were significantly better than at the same time a year ago.

The Soviets have several other problems than weather, however, which may tend to hold the grain crop below plan for 1973.

First of all, the proportion of spring grains to total grains will be larger than in 1972, and spring grains are generally lower yielding per acre than winter grains. Second, the plantings of larger overall acreages may mean using more of the poorer land; this would also tend to reduce average yields. Finally, seed supplies this year may be below average in quality because of last year's adverse weather at harvest.

Some of these negative factors may be partly offset by the use of more fertilizer, as well as by the general adequacy of soil moisture at present. However, timely rains will be needed throughout the growing season.

All in all, a harvest projection of about 155 million tons of usable grain (including pulses and minor grains) seems reasonable, based on current conditions. A crop of this size would include 140 million to 145 million tons of the five principal grains, wheat, rye, barley, oats, and corn.

Grain usage. The 1973 harvest, of course, is only part of the story on prospective Soviet grain purchases for 1973-74. Grain usage is equally important. The Soviets recently scaled down their 1973 production goals for meat and milk, while raising the production target for eggs. This does not, however, necessarily imply a reduction in grain usage, either in the current marketing year or throughout 1973.

Instead, it appears to be the result of a rather realistic appraisal of the situation following last summer's drought in the USSR. The drought not only reduced the Soviet grain harvest last year but also substantially reduced the supplies of such feedstuffs as potatoes, pasture, and hay. In fact, it is probable that the usage of grain for livestock feed in the USSR will be substantially higher than normal in 1972-73 because more grains will be needed to replace nongrain feedstuffs not only in finishing rations but also in maintenance rations.

Much of the reduction expected in meat output in calendar 1973 will very likely occur during the first half of the year and thus will be related to the 1972-73 feed situation—in which potatoes, pasture, and hay were short—rather than to that of 1973-74. In partial corroboration of this, data available on Soviet meat processed in industrial plants during the first 2 months of 1973 show that output was 10 percent below

(Continued on page 16)

U.S. Grain Shipments to the Soviet Union

As of April 20, over half of the 19.2 million metric tons of U.S. grains and soybeans purchased by the Soviet Union this past year, mostly for delivery in 1972-73, had been shipped.

Shipments totaled nearly 10 million tons, including 6.7 million tons of wheat, 2.4 million tons of corn, almost 850,000 tons of soybeans, and a small amount of rye. Some of the wheat shipments have gone to Eastern Europe.

The opening of the St. Lawrence Seaway on March 28—the earliest date on record—should help ease some of the pressure on the other export coasts, and shipments are expected to pick up speed.

USSR Makes New Grain Purchases

During the past month, the USSR has purchased about 2.5 million tons of additional grain, some of it for delivery in the 1972-73 (July-June) marketing year and some for delivery in the coming 1973-74 marketing year.

According to trade and government reports in Europe, the USSR recently purchased 500,000 tons of 1972-crop French barley for delivery during May-July. The selling price is reportedly about $1.54 per bushel f.o.b. French ports. An export subsidy equivalent to about $1.00 per bushel was reportedly needed to make the sale. The subsidy will be paid from funds provided by the European Community in Brussels.

The Soviets are said to be interested in additional French barley if agreement can be reached on financial arrangements. France is believed to have between 1 million and 1.5 million tons of barley to sell for export before new-crop barley becomes available later this year.

Another recent Soviet grain purchase was the additional 2 million tons of Canadian grain (valued at $200 million) announced on April 9. This grain, which includes 1.5 million tons of wheat and 500,000 tons of barley, is to be shipped April through October from east coast, Pacific coast, and Hudson Bay ports. The sale was for cash. The prices for which the grain was sold were not announced.

These new purchases bring total Soviet purchases of grain this past year to more than 30 million tons, mostly scheduled for delivery during the 1972-73 marketing year.

U.S. Agricultural Exports Up Nearly Three-fourths in Third Quarter 1972-73

By DEWAIN H. RAHE
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WITH RECORD U.S. EXPORTS of $1.4 billion in March, the third-quarter total rose to an alltime high of $3.72 billion—73 percent above the same period a year earlier. For the first 9 months of 1972-73, agricultural exports hit a record $8.9 billion, over 49 percent above the level of a year earlier and 10 percent more than all of fiscal 1971-72.

Of the value increase, grains alone accounted for three-fifths of the total gain in July-March over the same period last year. But substantial gains also occurred for soybeans, cattle hides, soybean meal, nuts, cotton, meats, poultry products, fruits, and vegetables. Tobacco exports were off slightly from the year earlier level in quantity, but the value was up 5 percent because of higher prices.

Total volume of U.S. exports gained nearly one-third and accounted for nearly 60 percent of the total increase in July-March. The balance of the increase was from higher prices. Export prices rose sharply for soybeans, soybean meal, grains, most fruits and vegetables, meats, cattle hides, and nuts.

Although U.S. agricultural imports gained 15 percent in July-March, the favorable U.S. agricultural trade balance rose to a record $3.7 billion from $1.5 billion in 1971-72. This helped to offset the record deficit in the nonfarm trade of $7.4 billion during July-March. Overall the United States had a deficit trade of $3.7 billion in July-March 1972-73, compared with a $3.4 billion deficit for the same months a year earlier.

With the exception of the 3-percent decline in exports to Africa, all other areas showed significant increases during July-March; the biggest, of course, was to the USSR.

Exports to the Soviet Union rose to $589 million in July-March from only $82 million a year earlier. Most of this gain was accounted for by wheat, which totaled over $337 million, compared with less than $1 million during the same period a year earlier. Exports of corn doubled and totaled $125 million. Soybean exports totaled nearly $100 million. Other exports to the USSR included hops, linseed oil, and hides and skins.

Wheat shipments through March represented approximately 50 percent of the total wheat that the USSR purchased from the United States for delivery during 1972-73. U.S. feedgrain exports were equal to about one-half of the Soviet purchase and soybeans were equivalent to around two-thirds of their total purchases for the year.

Because of time required to negotiate the maritime agreement and limitations of the transportation system, some of the purchases for 1972-73 may not move until fiscal 1974, but the bulk of the purchases should be exported by the end of June 30.

Exports to other East European countries rose 92 percent to $227 million during July-March. If transshipments through Canada and Western Europe were included, the total would be even larger. Transshipment data from Western Europe is normally received 3 to 4 months after the close of the month that is reported.

Another area which showed a substantial gain in July-March was Asia. Exports to Asia totaled over $3.1 billion in July-March—nearly 54 percent above the level of a year earlier, with the People's Republic of China taking nearly $90 million of this. Corn, totaling $39 million in July-March, was the most important product exported to this new market; next came wheat exports valued at $34 million. Other exports included cotton, soybean oil, and catttle hides.

Exports to Japan advanced to $1.6 billion and were nearly two-thirds larger than a year earlier. The sharp gain in exports to Japan can be attributed to feedgrains, which rose to $403 million in July-March, nearly double the level of a year earlier. Reduced production of feedgrains in Australia and Thailand caused Japan to buy a larger share from the United States, but wheat exports to Japan also rose to $162 million—83 percent larger than a year earlier. Meat exports to Japan jumped sharply to $40 million during the first 9 months of fiscal 1972-73. Substantial increases in Japanese per capita income, appreciation of the Japanese yen, and limited domestic supplies encouraged the stepped-up meat purchases from the United States. Increases also occurred for soybeans, cattle hides, tobacco, cotton, nuts, and fruits.

U.S. agricultural exports to Asia, excluding Japan, rose 33 percent to $1.6 billion in July-March from a year earlier Grains, accounting for most of the overall increase, rose to nearly $1 billion in July-March 1972-73 from $571 million a year earlier. During recent years, the Asian countries have been one of the fastest growing markets for U.S. agricultural exports. This is especially true of shipments to Korea and Taiwan. But commercial sales have been expanding to many of the other Asian countries which relied on Government-program shipments in the past. In addition to increases in grain exports, sales of soybean and hides and skins rose sharply during July-March.

However, cotton and tobacco exports to Asia fell from a year earlier. Increased competition and higher prices slowed U.S. tobacco shipments. The late harvest delayed U.S. cotton movements earlier in the year. Developing countries of

Asia have been a very important outlet for U.S. cotton under Government programs and exports are expected to gain during the remainder of the year.

Exports to Latin American countries gained about one-fourth to over $700 million, with grains accounting for 82 percent of this increase. Because of the drought, Mexico accounted for a big share of the gain in exports to Latin America during July-March, but other increases occurred to Venezuela, Chile, Brazil, and Uruguay. In addition, the Caribbean took about one-fifth more in U.S. agricultural products during July-March than a year earlier. This area is a growing market for many U.S. prepared products for the hotel and tourist trade.

Exports to the enlarged European Community (EC) rose to $2.6 billion in July-March, about 37 percent above those of a year earlier. Both variable and nonvariable levy commodities were up. About two-thirds of the overall increase occurred in the nonvariable levy items. The export value of oilcake and meal, soybeans, corn byproducts, cotton, canned fruits, and cattle hides accounted for most of the gain in the nonvariable levy items. Only tallow, tobacco, and vegetable oil showed declines from a year earlier. However, about half of the value gain stemmed from higher prices. The balance can be attributed to the variable levy items which rose to $670 million, nearly one-half larger than a year earlier. Most of the gains occurred in feedgrains, wheat, rice, and turkey products to the original EC members. Exports to the new member countries were about the same as those a year earlier.

Grains and preparations. U.S. exports of grains and preparations jumped 95 percent to $3.5 billion in July-March 1972-73. All major products gained, but feedgrains and wheat accounted for most of the overall increase. Nearly three-fourths of the value increase in grains and preparations was due to larger volume and the balance from higher prices. During July-March, for example, wheat prices averaged $1.90 a bushel, compared with $1.68 a year earlier; feedgrain prices averaged slightly over $61 per metric ton, compared with $54 a year earlier; and rice prices averaged $223 a ton, compared with $183 a year earlier.

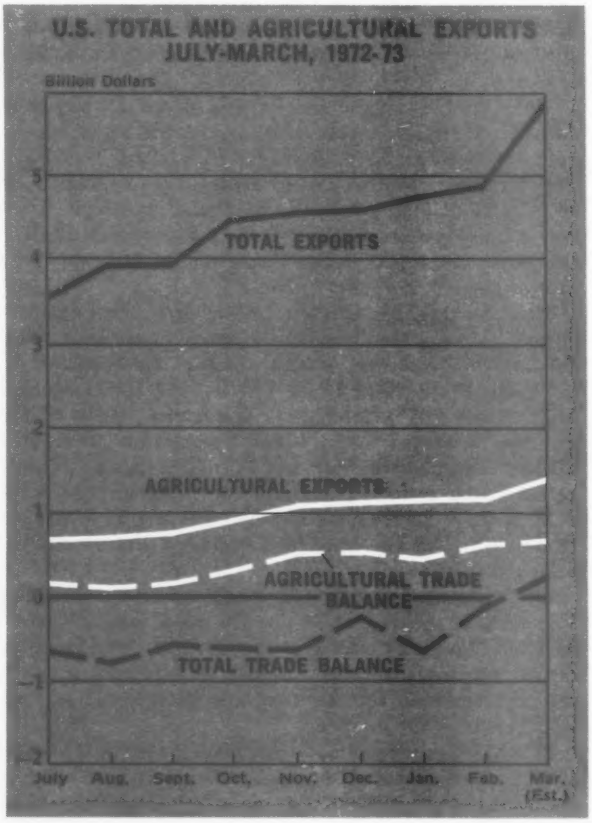
Feedgrain exports jumped to 25.5 million tons, up 11 million from a year earlier, with Japan doubling its imports to 6.4 million tons. Japan increased its purchase of U.S. feedgrains because of reduced supplies available from Thailand, Australia, and other major suppliers. In addition, Japan allocated only about 0.5 million tons of surplus rice for mixed feeds during the current year, compared with about 1.5 million tons a year earlier. Japanese import requirements for feedgrains also rose because of the 7 percent increase in meat production.

Shipments to the USSR purchases in July-March rose to nearly 2.5 million tons, compared with less than 1.4 million for the same months a year earlier. As a result, the USSR became the third largest foreign market for U.S. feedgrains during the current year. Exports to the enlarged EC rose to 7.7 million tons from 6.1 million a year earlier, with the United Kingdom and Italy accounting for most of the increase. Italy took 1.8 million tons, compared with about 1.2 million tons a year earlier. Other major exports were to Spain, Portugal, the People's Republic of China, Taiwan, Indonesia, South Korea, Peru, India, Venezuela, Greece, and Mexico. Mexico took nearly 397,000 tons in July-March, compared with less than a 100,000 a year earlier.

Exports of wheat and wheat products nearly doubled to 812 million bushels in July-March 1972-73 from 441 million a year earlier. The growth in value was even greater due to higher prices. The largest increase was to the USSR which took around 200 million bushels in July-March, compared with less than 1 million a year earlier. Other gains occurred to Japan, South Korea, Taiwan, Bangladesh, Pakistan, Yugoslavia, Mexico, Brazil, and the EC. Exports to the People's Republic of China rose to 20 million bushels during July-March, compared with none a year earlier. Exports to most African countries are off somewhat, reflecting better crops in most countries during the current year than during the previous year. During the current year only about 75 million bushels moved under specified Government programs.

U.S. rice exports rose nearly one-third in quantity during July-March from a year earlier, with higher prices also contributing to a 60 percent increase in total value to $333 million. Reduced rice production, especially in Burma and Thailand, has reduced exportable world supplies. Substantially more rice went to South Korea, South Vietnam, United Kingdom, Philippines, Iran, Turkey, Cambodia, the Republic of South Africa, the EC, and Canada. This year, around three-fifths of U.S. rice exports moved under Government-financed programs.

Oilseeds and products. Exports of oilseeds and products rose by over two-fifths to $2.4 billion. Approximately three-fourths of the value increase was in soybeans. World supplies of protein meal have been very tight during the cur-



rent season, with the sharp drop in fishmeal output in Peru and the smaller output of peanut meal in Africa and Asia.

Demand, on the other hand, has climbed with the continued growth of livestock in Western Europe, Japan, and other developed countries. In addition, the USSR purchased just 1 million tons of U.S. soybeans during the current year. Exports of soybeans during July-March increased by 62 million bushels to 393 million, and higher prices pushed the value up by one-half. Most of the gain occurred to the EC, United Kingdom, USSR, Spain, Israel, and South Korea. This year over half of the U.S. soybean production will go to the foreign market in the form of meal or soybeans.

Exports of oilcake and meal rose 9 percent to 3.9 million short tons in July-March, and higher prices pushed value up by over one-half. Most of this increase went to Switzerland, Yugoslavia, Spain, Greece, Eastern Europe, and Japan. With greater crushing capacity, the European Community took less quantity, but value was up sharply because of higher prices. The EC got a large share of its protein needs from the crushing of imported U.S. soybeans.

Exports of cottonseed and soybean oil, totaled 1.27 billion pounds during July-March, down 172 million pounds from a year earlier. The decline occurred in soybean oil, while cottonseed oil gained because of more plentiful U.S. supplies. Most of the gain in cottonseed oil exports went to Egypt which purchased 206 million pounds. Other important markets included Venezuela, the United Kingdom, Sweden, the EC, Iran, Japan, and South Africa.

Fruits and preparations. U.S. exports of fruits and preparations rose by nearly one-fourth to $334 million. Higher prices accounted for about three-fifths of the total value increase. Values were up for canned fruits, fresh fruits, and fruit juices. Most of the overall increase occurred in fresh products, primarily citrus fruits due to plentiful supplies. In addition, canned fruits also showed a substantial gain during the first 9 months of the current fiscal year, despite limited U.S. supplies and higher prices. The value of dried fruit exports rose 3 percent, while quantity was down sharply because of reduced supplies in the United States.

Vegetables and preparations. U.S. exports of vegetables and preparations rose by 18 percent to $199 million. As in fruits, most of the increase occurred in fresh products. However, canned vegetables and dehydrated vegetables also were up in July-March. Hop exports, which showed a big jump a year ago, were down substantially because of expanded production in Western Europe. A year ago, Western Europe imported large quantities of U.S. hops because of a poor harvest.

Animal and animal products. Exports of animal and animal products advanced over one-fourth to $974 million in July-March 1972-73. Cattle hides, totaling $293 million, more than doubled the level of a year earlier and accounted for most of the overall increase. Exports of meat and products were up by nearly 61 percent. Substantial quantities of pork, 45 million pounds, went to Japan. Exports of poultry products increased nearly one-fifth to $72 million. The increase occurred primarily in turkeys and egg products. Exports of poultry to the European Community, Caribbean, and Japan rose, and poultry specialty products, primarily prepared turkey products, increased to West Germany and to the United Kingdom. U.S. exports of poultry products have been stimulated by higher meat prices in foreign markets, however, these gains were offset by the declines in dairy products and animal fats and oils.

Tobacco. U.S. exports of tobacco, including bulk smoking tobacco, fell by 1 percent to 452 million pounds in July-March, but value rose 5 percent to $495 million because of higher prices. The gain in exports to the United Kingdom, Japan, New Zealand, and Australia was offset by declines in sales to the EC, mainly the Netherlands, West Germany, and Italy. Bulk smoking tobacco fell about 10 million pounds, primarily to the Netherlands, Peru, Switzerland, Italy, Australia, and the Dominican Republic. Competition for U.S. tobacco has been increasing in the principal markets as production expands in many developing countries. In addition, EC policy has encouraged production within the Community as well as in the overseas areas that have trade preferences. Also the uncertainty as to Rhodesia's role as a tobacco exporter has caused many countries to buy only for current needs.

Cotton. U.S. cotton rose to 3.2 million bales in July-March from 2.7 million bales for the same months a year earlier. Exports have expanded sharply in recent months and totaled 677,000 bales in March, 528,000 bales in February, and 654,000 bales in January. The increase has occurred to the EC, South Korea, Hong Kong, and Japan. Demand for U.S. cotton has strengthened as supplies have been somewhat smaller and consumption somewhat larger than first anticipated. Furthermore, the People's Republic of China reportedly has purchased large quantities of U.S. cotton for shipment during the current year. In March alone, exports totaled 41,000 bales of the reportedly large purchase.

U.S. AGRICULTURAL EXPORTS VALUE BY COMMODITY
JULY-MARCH

Commodity	1971-72	1972-73	Change
	Million	*Million*	
Animals and animal products:	*dollars*	*dollars*	*Percent*
Dairy products	172	70	−59
Fats, oils and greases	179	169	−6
Hides and skins, excl. furskins	125	318	+154
Meats and meat products	118	190	+61
Poultry and poultry products	61	72	+18
Other	101	155	+53
Total animals and products	756	974	+29
Grains and preparations:			
Feedgrains, excluding products	789	1,563	+98
Rice	208	333	+60
Wheat and major wheat products	748	1,561	+109
Other	71	77	+8
Total	1,816	3,534	+95
Oilseeds and products:			
Cottonseed and soybean oil	214	157	−27
Soybeans	1,050	1,563	+49
Protein meal	316	480	+52
Other	101	197	+95
Total	1,681	2,397	+43
Other products and preparations:			
Cotton, excluding linters	431	503	+17
Tobacco, unmanufactured	470	495	+5
Fruits and preparations	272	334	+23
Nuts and preparations	68	75	+10
Vegetables and preparations	169	199	+18
Other	301	381	+27
Total	1,711	1,987	+16
Grand total	5,964	8,892	+49

Collecting his WFP rations, Pakistan.

World Food Program Marks Decade of Providing Food For Development

A decade of multilateral food aid—both to support social and economic development and to meet emergency needs—was celebrated by the World Food Program (WFP) at the beginning of the 23rd session of its Intergovernmental Committee, April 25-May 4 in Rome, Italy.

Delegates from both donor and recipient countries reviewed WFP's accomplishments during the 10 years since it was jointly created by the United Nations (UN) and the Food and Agriculture Organization (FAO). Participants assessed the Program's future directions, particularly in view of changing world food needs and availabilities.

During its lifetime, WFP has committed a total of about $1.2 billion worth of commodities, transportation, and related expenses to 548 development projects in 88 developing countries. Additionally, $126 million of the total has helped victims of 167 emergencies in 74 countries.

Approximately half of the food and feed dispensed by WFP has been donated by the United States under the authority of Title II of Public Law 480, which provides for use of food surpluses for emergency relief aid and socioeconomic development.

In fiscal 1972, U.S. contributions included $46.6 million worth of commodities, consisting mainly of food and feedgrains—wheat, wheat flour, bulgur wheat, corn meal, corn, and grain sorghum. However, blended and fortified foods are becoming an important part of the commodity basket.

More than 75 other countries—developed and developing alike—currently contribute commodities and funds to WFP. The targeted pledge level for 1973-74 has been set at $340 million, of which announced pledges now exceed $285 million.

Examples of how WFP aid has affected the lives of millions of disadvantaged people throughout the world are many and varied—ranging from mother and child feeding programs in Colombia and Indonesia; food-for-work projects in India, Korea, and Jordan; and emergency operations in Pakistan, Peru, and Nicaragua.

In these and all other projects, aid is used as part payment of wages, or as an inducement to voluntary work, or for feeding in educational institutions and hospitals, or as cattle feed to increase the supply of milk and meat.

At present WFP sponsors 300 projects benefiting 11.3 million people throughout the world. Where possible, WFP aims at providing recipients with a balanced diet, both to teach good food practices and improve health. Another requirement is that assisted countries be able to continue projects after aid is discontinued.

Receiving food under human resources development projects are 4.2 million primary and secondary school children, preschool children, young people in vocational training, students, nursing and expectant mothers, and hospital patients and staff.

A further 4.3 million workers and their families are receiving food aid as part payment for work on projects for community development, housing, transport, power development, and public health.

Directly productive projects—land settlement, land reclamation, crop production, dairying, fisheries, and forestry—are benefiting 2.7 million people, as well as stimulating their countries' agricultural productivity and food supply.

Fully half of WFP commitments are in agricultural development, where food-for-work programs enable less-developed countries to undertake labor-intensive schemes—often with low immediate economic returns—that will eventually increase the degree of food self-sufficiency. WFP provides an incentive for countries to tackle development programs that might still be in the planning stages without food aid.

Consequently, hundreds of thousands of otherwise unemployed and underfed people are earning food rations and a small cash wage for productive work. Since they were previously unable to buy food, aid does not displace markets or discourage local farmers from producing for the market.

One of WFP's largest assistance areas—land development and improvement—accounts for 19 percent of total commitments. In addition to crop production and diversification programs, major national irrigation and drainage projects have been assisted.

During the last quarter of 1972, WFP approved 22 projects for economic and social development at a total cost of $108.6 million. Most are to assist the developing African nations. These projects will help to fill needs for irrigation, forestry, dairying, poultry production, and public health.

One of the authorized projects is for $15.2 million in food aid to help Pakistan resettle 700,000 refugees. A large-scale food-for-work program is furnishing wheat, maize, pulses, sugar, and vegetable oil to farmers in the Punjab Province who are recultivating lands and rebuilding farms, homes, roads, and irrigation facilities.

Seven emergency operations in seven countries were approved during September-December 1972 for victims of drought, hurricane, and earthquake. Severe food shortages were relieved in Chad, Mauritania, Nepal, and Rwanda, where drought seared food crops and affected livestock. A hurricane that devastated crops over a large area in the Fiji and adjacent islands reduced food supplies, which were replenished by WFP.

Frequently, WFP aid is used for reconstruction rather than immediate aid, which other agencies are better equipped to render. On a food-for-work basis, WFP helped to rebuild shattered Skopje, Yugoslavia, and areas of Peru following earthquake damage.

Pakistani refugees (left), working to construct roads, receive midday meal made from WFP supplies. Korean workers (center) are paid partly in wheat flour for flood-control work. In Swaziland (below), children's school meals are supplemented by WFP rations.

Three projects involving 10,000 tons of food are assisting reconstruction in Managua, Nicaragua, where WFP distributed commodities valued at $74,000 shortly after the earthquake.

In many of its projects, WFP works closely with U.S. organizations such as the Agency for International Development, the Peace Corps, and voluntary agencies. Disaster relief is coordinated with other relief programs.

WFP's founding was sparked in 1961 by a U.S. proposal for a multilateral approach to food aid, made at an intergovernmental meeting of 12 countries assembled by FAO.

The Program was established on a 3-year experimental basis, with the United States pledging $40 million in surplus commodities plus supplementary funds. The pledge was subject to the condition that the U.S. commodity contribution not exceed 50 percent of total contributions from all donor countries, a provision made to insure WFP's truly multilateral nature.

Assessing WFP activities at the end of 1965, FAO and the UN decided to establish the program on a regular and continuing basis, for as long as multilateral aid was feasible and desirable. At present, WFP has grown to be the second largest UN agency in terms of resources, furnishing over 10 percent of international food aid.

The unique and practical concept of using food surpluses to promote economic and social development was conceived by Dr. Mordecai Ezekiel, an American economist working with FAO, following a study he made in India.

Advantages are that aid of this type cannot be associated with international politics or paternalism. Recipient countries receive WFP aid only on request, and are fully in control of how it is used, providing aid is utilized for the specified project.

Since WFP was established, however, many changes have occurred in world agriculture. In the United States, the vast stockpiles of grain and other surplus commodities have dwindled, soaring domestic needs are receiving priority, and commercial food exports are mounting steadily. Therefore, the burden of responsibility for meeting food needs falls increasingly on the developing countries, which must move decisively to help themselves to achieve the related goals of agricultural self-sufficiency and freedom from hunger, disease, and want.

Taiwan Signs Agreements For U.S. Grains and Soybeans

A trade mission from the Republic of China (Taiwan) has signed agreements with eight U.S. export firms and the National Federation of Grain Cooperatives to purchase 5.5 million metric tons of U.S. grain and soybeans during a 3-year period beginning July 1, 1973. The mission estimated the value of the agreements at $750 million based on current market prices. Based on new-crop futures prices, the value would be somewhat less.

The agreements call for the purchase of 1,800,000 tons of soybeans, 1,650,000 of wheat, 1,350,000 of corn, and 750,000 of barley over the 3 years, broken down as follows (in thousands of metric tons):

	1973-74	1974-75	1975-76
Soybeans	550	600	650
Wheat	500	550	600
Corn	400	450	500
Barley	200	250	300
Total	1,650	1,850	2,050

Mr. Y. T. Wong, Director of the Board of Foreign Trade of the Ministry of Economic Affairs in Taipei and leader of the joint Government-industry trade mission, said the agreements were firm commitments as far as they were concerned. The barley agreement, however, does say that the U.S. barley price should be within 12 percent of the price of U.S. corn. The mission said, however, if barley prices are too high, Taiwan will replace the barley purchases with U.S. corn.

According to the mission, the quantities included in the agreements should be considered minimum quantities of U.S. grains and soybeans that Taiwan expects to purchase from the United States over the next 3 years. In calendar 1972, the United States exported 637,000 tons of soybeans, 508,000 of wheat, 308,000 of corn, and no barley to Taiwan.

The Taiwan market for U.S. farm products has been growing rapidly during the past several years, owing to Taiwan's fast economic growth and the people's desire for a change in diet as a result of their greater incomes. In 1972, Taiwan was the 10th largest cash market for U.S. farm exports, taking $196 million worth, including $125 million of the products in the agreements, signed on April 16.

The agreements were signed by Mr. Wong on behalf of the Government and by the heads of the Taiwan Flour Mills Association, the Taiwan Vegetable Oil Association, the Taiwan Feed Association, and the Taiwan Barley Industry Association. Bulk commodities generally are imported into Taiwan by the various trade associations, acting on behalf of their respective members.

The agreements do not include price provisions other than that the commodities will be purchased on a competitive bid basis, nor do the agreements spell out any specific quantities for each of the U.S. export firms or the National Federation of Grain Cooperatives. The export firms and the Federation will make offers separately, not jointly, under a bid procedure laid down in the agreements. The Federation signed the agreements of its export members.

The buyers, the four Taiwan trade associations, will purchase the commodities through Government-authorized procurement agencies such as the Central Trust of China, the Taiwan Supply Bureau, and the China Trade and Development Corporation. Purchases will be through open tenders. The U.S. export firms and the National Federation of Grain Cooperatives have agreed to respond to each tender.

Tenders will be announced at least 30 days prior to shipment and are expected to be held quarterly for each commodity. However, the Taiwanese reserved the right to time the tenders, as well as the call for tender quantities, for 1 month, 2 months, 3 months, 6 months, or otherwise.

Tenders will be awarded to the qualified offer, or offers, with the lowest prices, but the Taiwan associations reserved the right, under unusual circumstances, to withhold the awarding, to negotiate, or to retender.

Soviet Butter Shortage Prompts 200,000-Ton Purchase From EC

In order to help alleviate its current butter shortage, the Soviet Union recently placed an order with the European Community (EC) for 200,000 metric tons. Priced at about 18-19 cents per pound, the butter is to be taken from old stocks stored by Intervention Agencies of the various Member States, and will require an EC subsidy of about 80 cents per pound for a total of about $353 million.

Although the sale would reduce the EC butter surplus by about one-half, the Netherlands questioned the advisability of selling the butter to Russia at such a low price, according to press reports.

The Soviet Union's purchase was prompted by its low level of butter production in 1972 which, reportedly, fell below consumption requirements for the fourth consecutive year. In recent months, there have been continuing reports of butter rationing.

Soviet wholesale and industrial stocks of butter, which had been built up to some 537,000 metric tons at the end of 1968, apparently have been depleted.

Exports of Soviet butter dropped sharply from 73,000 tons in 1970 to 24,000 tons in 1971, but comparable data are not available for 1972. Substantial butter exports, however, would have caused a reduction in per capita consumption or a severe drawdown on supplies in the retail trade pipeline. Some drawdown of retail stocks already occurred in 1971 to maintain consumption at a reasonable level. Stores held inventories at the end of 1971 adequate for a 35-day turnover. A drawdown of 50 percent or more of these inventories probably occurred in 1972.

Soviet per capita consumption of butter stabilized at about 8.6 pounds during the first half of the 1960's, but, subsequently, increased steadily to 11 pounds in 1970. Inadequate supplies apparently have prevented any further increase in per capita consumption, although data on retail sales through 1972 suggest that consumption has not declined.

Substantial increases in margarine production during 1970 and 1971—to

(Continued on page 16)

CROPS AND MARKETS

Korea Slates $141 Million For Rural Development

Korea's Economic Planning Board has agreed to the use of $141 million in foreign loans to finance rural development projects this year.

An $80-million Japanese loan will be used to develop new farmlands in Sapkyo River Valley and other areas. Seven new community development projects will be financed from the proceeds of a $25-million U.S. loan. The World Bank is expected to provide a $20-million loan for use to construct factories for processing mushrooms, asparagus, and strawberries, while a $16-million loan from the Asian Development Bank will go to buy 20 400-ton-class fishing boats.

There are several steps still to be taken before the World Bank loan is granted. An initial survey, recently completed, must still be appraised before loan negotiations are started and the agreement signed.

Philippines To Accede to GATT

In a recent note to the Director General of the General Agreement on Tariffs and Trade (GATT), the Government of the Philippines indicated its desire to accede provisionally to the GATT. The Philippines' notification stated that since it would take time to work out arrangements for tariff negotiations and in view of forthcoming multilateral trade negotiations, the Philippines would like to accede provisionally in order to base its trade relations with the other contracting parties upon the General Agreement as soon as possible.

Currently 93 percent of Philippine trade is with GATT-member countries and Philippine accession would give the country the right to participate in negotiations for the liberalization of tariff and nontariff restrictions.

For fiscal 1972, U.S. agricultural exports to the Philippines were valued at $83 million while farm imports from the Philippines amounted to $369 million. Principal U.S. agricultural exports included wheat, cotton, corn, and tobacco, while the major U.S. farm imports from the Philippines were sugar, coconut oil, copra, and canned pineapple.

CCC Cuts List of Items Eligible for Credit

Because of changed supply and market conditions, the U.S. Department of Agriculture has removed several items from the list of commodities eligible for export under the Commodity Credit Corporation's Credit Sales and Barter Programs.

In keeping with the President's action in placing ceilings on meat prices and the need to build domestic herds, beef and dairy breeding cattle and breeding swine have been temporarily suspended as items receiving export assistance under the Credit Sales Program. Exports of vegetable oils, inedible tallows, and grease under the two CCC programs also have been temporarily suspended.

Quantities of vegetable oils to be programed under Titles I and II of Public Law 480 will also be reduced from previously planned levels.

A total of 16 commodities have been removed from the CCC list of commodities eligible for financing under CCC credit. Eleven items remain eligible for this export assistance.

SUGAR AND TROPICAL PRODUCTS

U.S. Cocoa Bean Grind Lower; European Grind Up

U.S. cocoa bean grindings during the first quarter of 1973 totaled 77,882 metric tons, off 1.8 percent from the corresponding months in 1972, when grindings amounted to 79,288 tons. The lower grind was attributed to smaller chocolate bar sizes and to higher cocoa bean prices.

However, grindings by the major European consuming countries during the first quarter of 1973 showed good increases despite higher prices and a smaller world cocoa bean crop. Grindings by the United Kingdom were up nearly 32 percent to 29,058 metric tons, compared with first quarter 1972 grindings of 22,047 tons.

Netherlands grindings during the first quarter totaled 33,230 metric tons, a gain of 4.2 percent from levels of 31,880 tons a year ago, despite the move of a major Netherlands grinder to West Germany in late 1972.

West German grind increased by 19 percent to 41,030 metric tons, compared with first quarter 1972 grindings of 34,429 tons.

International Coffee Agreement Extended

The International Coffee Organization concluded its Council meetings April 14, 1973, with the adoption of a resolution extending the International Coffee Agreement of 1968 for 2 years—until September 30, 1975. This extension, subject to ratification, however, deletes all the economic provisions previously contained in the 1962 and 1968 Agreements relating to import quotas and limitations, indicator prices, and export/import control mechanisms.

Noting that insufficient time remains before the current Agreement expires on September 30, 1973, the extended Agreement is designed to maintain the structure of the ICO for the collection and dissemination of statistical information, and as a forum for the negotiation of a new ICA with economic provisions.

The World Coffee Promotion Committee is to begin liquidating its promotion fund immediately and return the money to contributing producing countries without delay. This action will likely cause problems in the United States, where funds have been committed for a joint effort to promote domestic coffee consumption. The liquidation of the Coffee Diversification Fund—now amounting to some $25-$30 million—was to be resolved at a Council meeting on April 24, but no agreement was reached at that time.

Ivory Coast Cocoa Production Lower

Reflecting dry weather conditions, the 1972-73 Ivory Coast cocoa bean main crop amounted to 172,000 metric tons, off 16 percent from the record 1971-72 main crop of 205,000 tons. Continued dry growing conditions have resulted in lower estimates for the 1973 midcrop output, now expected to total only about 13,000 tons, compared with an average midcrop output of 20,800 tons during the preceding 3 years.

Total Ivory Coast cocoa production during the 1972-73 season is estimated to total about 185,000 tons, off 17.4 percent from the record 1971-72 outturn of 224,000 tons.

FRUITS, NUTS, AND VEGETABLES

U.S. Grapefruit to Italy

The Italian Ministry of Agriculture recently extended the authorized period for importing U.S. grapefruit through June 30, 1973. Under the previous announcement imports were authorized until March 31, 1973. Only four ports of entry have been assigned to U.S. grapefruit; Genoa, Naples, Venice, and Trieste.

EC Quotas for Spanish Raisins and Dried Figs

The European Community has announced tariff preference quotas for calendar 1973 imports of raisins and dried figs from Spain. These quotas cover 1,873.9 short tons of raisins duty free and 220.5 short tons of dried figs at 3 percent ad valorem. Items must be imported in immediate packings of a net weight not exceeding 33.1 pounds. Normal EC duty rates to third countries are 6 percent for raisins and 10 percent for dried figs. The quotas were provided for under the EC-Spain Trade Agreement of June 29, 1970.

GRAINS, FEEDS, PULSES, AND SEEDS

Grain Exports and Transportation Trends: Week Ending April 20

Weekly grain inspections for export and grain moving in inland transportation for the week of April 20 and the previous week were:

GRAIN EXPORTS AND TRANSPORTATION TRENDS: WEEK ENDING APRIL 20

Item	Week ending Apr. 20	Previous week	Weekly average, March	Weekly average, third quarter
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Weekly inspections for export:				
Wheat	663	715	589	637
Feedgrains	611	731	688	690
Soybeans	248	311	333	327
Total	1,522	1,757	1,610	1,654
Inland transportation:				
Barge shipments of grain	363	335	495	495
	Number	*Number*	*Number*	*Number*
Railcar loadings of grain	28,070	28,529	30,404	32,271

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	May 2	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-14	3.23	+2	1.98
USSR SKS-14	[1]	[1]	1.88
Australian FAQ [2]	[1]	[1]	[1]
U.S. No. 2 Dark Northern Spring:			
14 percent	2.87	−1	1.90
15 percent	2.90	−1	1.98
U.S. No. 2 Hard Winter:			
13.5 percent	2.77	−7	1.81
No. 3 Hard Amber Durum	3.13	−1	1.84
Argentine	[1]	[1]	[1]
U.S. No. 2 Soft Red Winter	[1]	[1]	[1]
Feedgrains:			
U.S. No. 3 Yellow corn	2.07	+3	1.47
Argentine Plate corn	2.22	+1	1.74
U.S. No. 2 sorghum	2.08	+4	1.48
Argentine-Granifero sorghum	2.06	+3	1.50
U.S. No. 3 Feed barley	1.85	+4	1.21
Soybeans:			
U.S. No. 2 Yellow	8.28	+98	3.81
EC import levies:			
Wheat [3]	[4] 1.52	+4	1.70
Corn [5]	[4] 1.16	−1	1.08
Sorghum [5]	[4] 1.13	−6	1.07

[1] Not quoted. [2] Basis C.I.F. Tilbury, England. [3] Durum has a separate levy. [4] Effective October 14, 1971, validity of licenses with levies fixed in advance is a maximum of 30 days. [5] Italian levies are 23 cents a bu. lower than those of other EC countries.

Note: Price basis 30- to 60-day delivery.

Brazil Resets 1973 Wheat Price

Brazil has raised the guaranteed purchase price for 1973 wheat to $115 per ton from the $112 announced in February. This would apparently provide producers about a 3-percent increase in gross real return compared with last season.

Argentina Raises Corn Estimate

Argentina estimates its current corn crop at 9.8 million tons—up from the preliminary estimate of 9.6 million. This compares with the 1971-72 crop of 5.9 million and the 1970-71 output of 9.9 million. The latter was exceeded only in 1934-35 and 1935-36.

Greece To Build Grain Silos

The Greek Government plans to construct grain silos with a total capacity of 500,000 tons, of which 78,000 tons will be at port locations. Present Greek grain storage capacity is 880,000 tons, largely of the horizontal type, a part of which will probably be converted to other uses.

Mexico Completes 1972-73 Wheat Purchases, Buys Corn

On April 12, Mexico bought 245,000 tons of wheat and 163,000-180,000 tons of corn after having issued respective tenders of 80,000 and 85,000 tons. The wheat is for May-September shipment, with about 75,000 tons to be shipped by June 30. This will make July 1972-June 1973 wheat imports total about 765,000 tons.

The corn is about two-thirds yellow and one-third white,

with shipment during April-September. Of the white, 10,000-12,000 tons are from Kenya and 14,000-15,000 tons will be from South Africa or Mozambique, beginning in October. These purchases will bring corn imports to a total of about 888,000 tons.

South Africa Boosts Grain Producer Prices

The South African Maize Board has reportedly raised the gross producer price for the best grade of corn to $58.24 per metric ton from the current level of $48.51. Also, the main floor price for grain sorghum has been increased from $40.06 to $64.00 per ton. The producer-price increases for corn and sorghum are larger than moderate increases of recent years.

COTTON

February Cotton Exports Help Keep Fiscal Year Level High

Exports of U.S. cotton during February were 528,201 bales bringing fiscal 1973 exports to 2,508,847 bales. Comparable shipments last year were 402,329 bales and 2,309,407 bales respectively. The daily rate of 18,864 bales during February was near the average rate of 19,160 bales established during December and January. (All bales are runing bales.)

Nearly 70 percent of February exports were under Government programs. Quantities by program were: Barter, 249,000 bales; Public Law 480, 37,000; and CCC Credit, 76,000.

TOBACCO

Swedish Smoking Tobacco Exports to United States

Increased Swedish smoking tobacco exports to the United States have necessitated the expansion of production facilities in that country. Exports of the Borkum Riff brand smoking tobacco jumped from 1,500 tons in 1971, to 2,300 tons in 1972, as smoking tobacco became the leading Swedish agricultural export to the United States.

FATS, OILS, AND OILSEEDS

Japan's Soybean Purchases May Exceed Requirements by 500,000 Tons

U.S. grain-trade sources reportedly agree that Japan has purchased for delivery during the current crop year (September 1972 through August 1973) about 500,000 metric tons of soybeans in excess of Japan's needs for this crop year. The same sources report that Japan's soybean needs appear to be adequately covered through December 1973.

In addition, panic buying of premium soybeans for food use which drove domestic wholesale prices of food use soybeans as high as $20.79 per bushel in February has subsided and the price is now equivalent to around $8.19 per bushel. The spot price for U.S. ordinary No. 2 soybeans for crushing on April 13 was quoted, C&F Japan, at the equivalent of $7.39 per bushel.

West Malaysia's Palm Oil Production and Exports

Production of palm oil in West Malaysia during the October 1972-February 1973 period increased to 287,000 metric tons —55,800 tons or 24 percent above the same 5 months in 1971-72. Production for the entire 1972-73 season is expected to approximate 780,000 tons, compared with 623,500 tons in 1971-72 and 507,100 tons in 1970-71.

Exports in the current October-February period, at 276,600 tons, are only 31,400 tons or 13 percent above the same period last year. This reflects the fact that exports in the 1971-72 period were unusually high and exceeded production by 14,000 tons. Exports for the 1972-73 season are estimated to rise to about 750,000 metric tons, compared with 570,600 tons in 1971-72 and 503,900 tons in 1969-70.

Major destinations for West Malaysia's exports include the United Kingdom, Iraq, the United States, the Netherlands, and West Germany, and very large transshipments through Singapore.

LIVESTOCK AND MEAT PRODUCTS

Brazil To Upgrade Slaughter Facilities

Two World Bank loans to Brazil—one granted in December 1972, the other tentatively set to be signed in June 1973—will be used to boost Brazil's investment in livestock and slaughter facilities.

The 1972 livestock loan of $26 million provided credit for breeding cattle, land clearing, pasture improvement, watering facilities, and handling equipment. A $40-million credit for similar purposes had been granted in 1967.

The proposed $54 million loan—to be affirmed in midyear —will be used for slaughterhouse, meat packing, and cold storage equipment. Priority will be given to the main slaughtering States, São Paulo, Rio Grande do Sul, Minas Gerais, and Paraná. The developing States of Goiás and Mato Grosso are included with the smaller States.

Despite a 30-percent slash in 1973 beef export plans, Brazil is going ahead with its program to upgrade its facilities for export slaughter. Brazil's beef exports set a record of 169,-000 metric tons in 1972.

Australia Ships Steers To Japan for Fattening

Australian cattle producers have shipped 1,150 young steers to Japan for fattening. Bought by three Japanese cooperatives, the steers will be fed for about a year at 6 feedlots near Yokahoma and Hata.

The animals, weighing between 480 and 530 pounds, were shipped by the export division of Dalgety Australia Ltd., and was the largest consignment of live steers the division had ever made to Japan.

To enable the Japanese to fatten them to their own requirements, the cattle were shipped to Japan at an earlier age than previously, and followed a pilot shipment of a smaller number of cattle made earlier in the year.

A Dalgety spokesman said Australian exports of young steers to Japan are likely to become a more regular event.

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Soviet Butter Shortage (Continued from page 12)

close to 850,000 tons each year—probably alleviated the pressure on butter supplies. Growth of margarine production slumped badly after 1965, and neither absolute nor per capita levels of output recovered fully until 1969. The sharp increase in 1971, however, may have offset the failure of butter availabilities to increase. Actual production data are not available for 1972, but in the December issue of the fats and oils industry journal, the Deputy Chief of the Soviet margarine industry indicated no increase was expected over 1971. Consequently, the margarine situation in 1972 offered little relief.

Maintenance of butter consumption at 11 pounds in 1973 would require supplies of 1,250,000 tons. Soviet production in 1972 is estimated at 1,180,000 tons. In the absence of net imports, production in 1973 would have to increase almost 6 percent to cover requirements, still leaving low stock.

The 200,000 tons of butter purchased from the EC should enable the USSR to replenish retail stocks and resume consumption growth.

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USSR: BUTTER PRODUCTION, EXPORTS, STOCKS, AND CONSUMPTION

Year	Production	Exports [2]	Stocks [1]		Consumption	
			Wholesale-industrial	Retail [3]	Total	Per capita
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*Pounds*
1968	1,164	76	537	81	1,048	9.7
1969	1,065	74	334	101	1,155	10.6
1970	1,067	73	135	108	1,214	11.0
1971	1,122	24	[4] 30	88	[4] 1,226	[4] 11.0
1972 [4]	[5] 1,180	(6)	10	(6)	1,237	11.0

[1] End of year. [2] Imports of only 2,000 tons annually were reported during 1968-71. [3] Based on annual retail sales and reported stock data in terms of days of turnover. [4] Estimates. [5] Industrial output was 1,081,000 tons; about 100,000 tons were reported produced on farms during the previous year. [6] Not available.

Soviet Grain Prospects Improve

(Continued from page 6)

that of the same period a year ago.

The scaling down of the 1973 meat production goal is believed to be associated with the Soviet Government's announced intention to push a major herd-building program during calendar 1973. The USSR State Planning Committee has said that a main goal of Soviet animal husbandry in 1973 will be to build up herds so as to be able to meet the livestock production goals for the remaining years of the current 5-year plan (1971-75).

Given relatively normal weather during 1973, it is reasonable to expect that the Soviets can attain their revised meat production goal for 1973 and still build livestock numbers to levels consistent with herd inventory goals. If the herd-building program for 1973 succeeds, livestock inventories at the beginning of 1974 should be at record levels, and demand for livestock feed should again be high in 1973-74. With normal weather during the summer and fall of 1973, 1973-74 demand should increase enough to mean sizable purchases of grains, although the increase will not be quite so high as during the current year when grain is needed to replace nongrain feed crops.